

IMPERIAL CHEMICALS
STAFF PENSION FUND

Summary of the Scheme
1967 Rules



IMPERIAL CHEMICAL INDUSTRIES LIMITED

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FOREWORD

This booklet answers questions of general interest about the pension arrangements that will apply to employees who first join the Company after 31st March, 1967 or who were previously members of the Fund under the pre-1967 Rules and who opt to be covered by the 1967 Rules for future service. It is **not** a rule book and the answers are subject to the detailed provisions of the Rules. A copy of the Rule Book is available in your Personnel Department. For convenience this handbook is divided into the following parts:—

- Part 1 General Information
- Part 2 Summary of the Benefits provided
- Part 3 Leavers entitled to immediate pensions
- Part 4 Leaving when not entitled to an immediate pension
- Part 5 Widows' and Children's Benefits
- Part 6 Nominated Dependents' Benefits
- Part 7 Death Benefits
- Part 8 Re-engaged employees

The pre-1967 arrangements are explained in a separate booklet.

IMPERIAL CHEMICALS STAFF PENSION FUND SUMMARY OF THE SCHEME 1967 RULES

PART 1

GENERAL INFORMATION

1 What is the Imperial Chemicals Staff Pension Fund?

It is a fund to provide retirement pensions for full time permanent staff of the Company and also pensions for the widows and children or Nominated Dependents of deceased employees and pensioners.

2 How is the Fund managed?

By Trustees, who administer the Fund in accordance with the Trust Deed and Rules. The Trustees are appointed by the Board of ICI.

3 Who pays the expenses of administration?

The Company pays all expenses. The money in the Fund is used solely to pay pensions and other benefits.

4 How and when do I become eligible for membership of the Fund?

You become eligible for membership when you have completed twelve months' continuous full time service with the Company after age 21.

If, however, you have previous pensionable service in the Fund then provided that on re-engagement you are credited again with your former pensionable service you will not have to serve this qualifying year and you will be eligible to rejoin the Fund immediately. Further details are given in Part 8 of this booklet.

5 Am I required to apply for membership ?

- (a) If you are a full time employee you must apply to join the Fund when you become eligible for membership if, when you start full time employment with the Company, you are under age 52 (50 if a woman) or are a re-engaged pensioner of this Fund under the normal retirement age of 62 (60 if a woman). If, when you start full time employment with the Company, you are aged 52 (50 if a woman) or over and are not a re-engaged pensioner of this Fund, membership is optional, but if you wish to join you must apply as soon as you are eligible.
- (b) If you are a part time employee you will not be eligible for membership of the Fund.

6 Does all my service with the Company count in the Fund ?

Only service between the ages of 20 and normal retirement age (i.e. men 62, women 60) whilst you are a contributing member, or for which you have been given credit, will count.

The service for which you are given credit will include the period of qualifying service (if any) which you were required to complete before admission to membership of the Fund.

Service which counts in the Fund is called "Pensionable Service".

7 Can the value of my pension rights in another fund be transferred to this Fund ?

Yes, it may be possible to do this and you should ask at your Personnel Department for the transfer to be arranged. You must give the name and address of your former employer from whose fund you wish the value of your pension rights to be transferred.

8 What do I contribute to the Fund ?

Your contribution will be based on your pensionable pay, i.e. your basic salary, overtime, permanent shift disturbance allowance, excess hours on shift allowance and Agreement Bonus (but not including Employees' Profit-Sharing Bonus). Contributions commence on the date you are admitted to the Fund.

Your total pension contributions (the amount you pay to the State scheme for Retirement and Widows' pension benefits and to the Staff Fund) will be 6½% of your pensionable pay. Your contributions to the State scheme will, of course, be paid direct to the State scheme and only the balance of the 6½% will be your contribution to the Staff Fund. At present the contributions to the State scheme for Retirement and Widows' pension benefits are as follows :—

Flat rate: 8/7d. a week (men) and 7/2d. a week (women). The yearly totals are £22 6s. 4d. (men) and £18 12s. 8d. (women) and the monthly totals will be taken as 1/12th of the yearly totals.

i.e. £1 17s. 3d. (men) and £1 11s. 1d. (women).

Graduated: 4½% on pay between £39 and £78 a month and ½% on pay between £78 and £130 a month.

Even if you are excused National Insurance flat rate contributions (e.g. if you are drawing State Sickness Benefit or are a married woman who has elected to pay for Industrial Injuries Insurance only) the flat rate contribution of £1 17s. 3d. a month (men) or £1 11s. 1d. a month (women) will still be taken into account in working out your contribution to the Staff Fund.

The State contributions mentioned above are those applicable in November 1967; they will be varied in future as and when State contributions are changed.

(Note: If at any time in the future employees' contributions for State Retirement and Widows' pension benefits exceed 6½% of pay, the Company reserves the right to re-examine the arrangements).

Examples

A is a man who receives pensionable pay of £110 a month. His total contribution in that month for pension will be as follows:—

Total pension contribution, 6½% x £110	£7 3 0
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This is made up:

State flat rate contribution
(1/12th of annual rate)—

For Retirement and Widows' pension benefits	£1 17 3	1 17 3
For other benefits	1 10 8	
	<hr/>	
	£3 7 11	

State Graduated contribution ...	2 0 3
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Balance to Staff Pension Fund	3 5 6
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<hr/>	£7 3 0
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The £7 3s. 0d. is his total contribution for retirement. In addition, the balance of the National Insurance contribution for benefits other than pensions is payable (1/12th of the annual rate is £1 10s. 8d.).

B is a woman who receives pensionable pay of £55 a month. Her total contribution in that month for pension will be as follows :—

Total pension contribution: 6½% of £55 — £3 11 6

This is made up :

State flat rate contribution

(1/12th of annual rate)—

For Retirement and Widows' pension benefits	£1 11 1	£1 11 1
For other benefits	1 6 0	
	<u>£2 17 1</u>	

State Graduated contribution — 15 3

Balance to Staff Pension Fund 1 5 2

£3 11 6

The £3 11s. 6d. is her total contribution for retirement. In addition, the balance of the National Insurance contributions for benefits other than pensions is payable (1/12th of the annual rate is £1 6s. 0d.).

9 When do my contributions to the Fund cease?

Contributions to the Fund cease to be payable when you reach the normal retirement age (62 for men, 60 for women) or earlier if you cease to be employed by the Company.

10 What does the Company contribute to the Fund?

The Company has undertaken always to contribute at least as much as the members contribute and in addi-

tion to contribute the balance necessary to provide pensions and other benefits.

The Company guarantees the solvency of the Fund and also that the Fund will receive an income of at least 5% per annum on the whole of its investments and cash.

11 Can I withdraw from the Fund at any time if I wish?

No. Under the Rules withdrawal from membership is not permitted while you are still in full time employment with the Company.

12 What information must I give to the Trustees?

You must complete an application form when you join the Fund giving particulars about yourself, and if a married man about your wife and any children under 18. You are required to report, through your Personnel Department, any changes in these domestic circumstances as and when they occur.

PART 2

SUMMARY OF THE BENEFITS PROVIDED

13 What Benefits does the Fund provide?

The Fund provides :—

- (a) immediate pensions, on termination of employment, for members who qualify by reason of age and pensionable service;

(b) for members who do not qualify for an immediate pension on leaving:—

- (i) the transfer to another approved fund of the value of the member's pension rights in this Fund, where this is possible, or
- (ii) a Deferred pension, or
- (iii) a cash benefit.

(i) and (ii) are only available to members who have completed the necessary pensionable service—see Question 19.

(c) benefits on the death of a member.

All contributing members with at least one year's pensionable service are covered for a lump sum benefit on death (see Question 34).

Widows' and Children's or Nominated Dependants' Benefits are also provided (see Parts 5 and 6).

14 Is there a guaranteed minimum payment from the Fund?

Yes.

- (a) If you leave the full time employment of the Company without qualifying for a pension or a Deferred pension or for the transfer of your pension rights to another fund, you will receive a cash benefit equal to your own contributions to the Fund, together with interest. (See Question 20).
- (b) If you die before leaving the full time employment of the Company or while you are a Deferred Pension Member, the guaranteed minimum pay-

ment will be an amount equal to your own contributions to the Fund, together with interest.

- (c) If you die after your pension has started, the guaranteed minimum payment will be the greater of:—
 - (i) an amount equal to your own contributions to the Fund, together with interest, or
 - (ii) five years' pension.

Where (b) or (c) apply this guaranteed minimum amount will be paid out either by way of pension to yourself and your dependants or as a lump sum or both.

PART 3

LEAVERS ENTITLED TO IMMEDIATE PENSIONS

15 What are the immediate pensions payable on leaving?

Pensions are paid in the following circumstances:

- (a) Retirement at or after the normal retirement age (62 for men, 60 for women) provided 10 years' pensionable service has been completed.
- (b) Earlier retirement due to failure of health provided that 10 years' pensionable service has been completed.
- (c) Earlier retirement at the request of or with the consent of the Company provided you have attained the age of 57 if a man or 55 if a woman and have at least 10 years' pensionable service.

- (d) On discharge due to reasons outside your own control if you have attained the age of 50 and have at least 20 years' pensionable service. After attainment of the qualifying age, the required period of pensionable service is reduced gradually to 12 years at age 56 if a man or 54 if a woman.

16 How will my pension from the Staff Fund be calculated?

(A) Pensions which are not due to Failure of Health For service under the 1967 Rules

The amount of your 1967 Rule pension will be based on your pensionable service under those Rules and on your "final pensionable pay".

Your "final pensionable pay" will be your average annual pensionable pay over the highest paid three consecutive years during the last ten years of your membership under the 1967 Rules (or appropriate lesser period if you did not complete ten years under those Rules). The annual amount of your "Notional Total Pension" will be arrived at by taking for each year (months count in proportion) of your pensionable service under the 1967 Rules:—

Men: 2% (1/50th) of your "final pensionable pay" up to £500 a year and 1½% (1/60th) of your "final pensionable pay" over £500 a year.

Women: 2½% of your "final pensionable pay" up to £500 a year and 1½% of your "final pensionable pay" over £500 a year.

Part of this notional total pension will be provided by the State Scheme and this (the "State Pension Element") will be:—

- (i) the annual amount of any State Graduated pension which you earn under the State Graduated Scheme during your pensionable service under the 1967 Rules;
- (ii) the proportion of the Single Person's State flat rate pension earned during pensionable service under the 1967 Rules. The Rate of this pension to be taken into account (whether you are married or single) will be the single person's average annual flat rate pension (subject to a minimum of £208 a year) during the last three years of your service. The Proportion will be 1/50th for men and 1/45th for women for each year (months count in proportion) of your pensionable service under the 1967 Rules. This proportion of the single flat rate pension will be taken into account in all cases including those employees — for example some married women — who do not in fact elect to qualify in their own right for a flat rate pension under the State scheme.

This State Pension Element will be calculated when you leave the Company and will not be altered if State pensions are subsequently increased.

The amount of pension payable by the Fund will be the Notional Total Pension less the State Pension Element. The State Pension Element will be deducted in all cases in calculating pensions from the Fund whether or not you are actually

entitled to receive the State Retirement Pensions when you retire. In the case of men retiring at or after age 62, however, a supplementary pension from the Fund equal to the amount of the State Pension Element deducted will be paid until age 65. This supplementary pension is a personal pension which would cease in the event of death before 65 or on re-engagement by the Company before that age and it will not be taken into account in calculating any pension payable to your widow or dependants.

For service under the pre-1967 Rules

If you also have pensionable service under the pre-1967 Rules, your pension under those Rules (which will be added to your pension under the 1967 Rules) will be 1/75th (women—1/65th) of your pensionable salary for each completed year (months count in proportion) of pensionable service under the pre-1967 Rules. For this purpose pensionable salary means the average salary during the six years immediately preceding retirement.

Examples

Some examples illustrating how pensions will be calculated are included in the Appendix to this booklet. They are only designed to illustrate the method and are not intended to show the future level of pension that can be earned from the Fund. This is because pensions from the Fund will depend on pay levels in the last years of employment and on the future levels of State pension. These are unknown factors.

(B) Failure of Health Pensions

If you qualify for a Failure of Health pension you will also receive a supplementary pension in addition to a pension calculated as in (A) above. The supplementary pension will be calculated by giving you credit (subject to a maximum credit of 10 years) for half the additional service which you could have completed if you had continued in the Company's employment from the date of your retirement until normal retirement age.

(C) Minimum Pensions

If you have ten or more years pensionable service, your total pension from the Staff Fund (including both your pre-1967 Rule Pension and your 1967 Rule Pension) will not be less than the amount given in the following table for the date on which you retired:—

						If a Woman	If a Man
						Amount	Amount
						a year	a year
Retirement Date						£	
April 1967	up to and incl. March 1968					139	} £175
" 1968	"	"	"	"	" 1969	143	
" 1969	"	"	"	"	" 1970	147	
" 1970	"	"	"	"	" 1971	151	
" 1971	"	"	"	"	" 1972	155	
" 1972	"	"	"	"	" 1973	159	
" 1973	"	"	"	"	" 1974	163	
" 1974	"	"	"	"	" 1975	167	
" 1975	"	"	"	"	" 1976	171	
" 1976	and later					175	

The 1967 Rule pension taken into account for this purpose is the pension actually paid from the Staff Fund and not the "Notional Total Pension".

17 What happens if I do not retire at normal retirement age?

Firstly, you will not pay any further contributions to the Fund after you reach normal retirement age. Secondly, you will have the choice of either taking your pension (which will be added to your pay for income tax purposes) or of deferring it, in which case it will be increased. Details of the increase can be obtained from your Personnel Office.

18 For how long is a Pension payable?

All members' pensions, except failure of health pensions, are payable for life unless a pensioner is re-engaged on full time employment by a contributing company before age 62 (women 60). (See Question 35).

Failure of Health Pensions, including the Supplementary Pension, are granted to members who are considered to be physically incapable of doing their ordinary work, but some of these pensioners may obtain permanent jobs elsewhere. For this reason the Trustees have the right to review these pensions and to suspend or reduce them.

PART 4

LEAVING WHEN NOT ENTITLED TO AN IMMEDIATE PENSION

19 If, when I leave, I am not entitled to an immediate pension, what benefits are available for me?

You will be entitled to a refund of your own contributions plus interest, or, if you have at least five years' pensionable service and could have completed ten years before normal retirement age, you may choose instead:

- (a) a transfer of the value of your pension rights in this Fund to another fund, where this is possible, or
- (b) a Deferred pension.

20 What contributions, plus interest, are payable to me if I leave?

The contributions refunded will be the contributions actually paid by you into this Fund and will not, of course, include your contributions to the State Scheme. If you have pensionable service in the Staff Fund under the pre-1967 Rules, your contributions to the Fund under those Rules are also refunded.

The Company's Contributions

Under no circumstances are the Company's contributions repayable to the Company, nor are they payable to a member as part of a cash benefit.

21 Can I transfer the value of my pension rights to the fund of my new employer?

The Fund is prepared to make a transfer if you have qualified (see Question 19).

If you have not taken a refund of your pension contributions plus interest, such a transfer may be possible at any later date if you transfer to a new employer. If so, this you should write to the Secretary of the Fund.

22 What is a Deferred Pension?

A Deferred pension is the accrued value of a member's deferred pension rights when he leaves the Company and is not normally payable until he reaches the age of 62 (women 60).

A Deferred pension may be drawn at an earlier age if the member wishes, subject to an agreement depending on the member's age when payment of the pension begins.

A member who elects to take a Deferred pension is referred to during the period of deferral as a "Deferred Pension Member".

23 If I take a Deferred pension, can I change my decision later on?

Yes, at any time before the pension starts to pay.

- 1 you may ask for the value of your pension rights in this Fund to be transferred to another Fund (see Question 21);

- 2 you may at any time cancel your original decision and ask for a refund of your own contributions plus interest.

24 What happens if I become a member of Imperial Chemicals Workers' Pension Fund?

If you are accepted as a member of the Imperial Chemicals Workers' Pension Fund your membership will be transferred from this Fund and you will receive appropriate credit in that Fund.

PART 5

WIDOWS' AND CHILDREN'S BENEFITS

25 What are the Widows' and Children's Benefits?

These consist of either a pension or a lump sum payable to the widow and children of a deceased member.

26 What are the qualifications for Widows' and Children's Pensions?

The main qualifications are:—

- 1 A contributing member must have been a contributing member's pensionable service and have been married at least 10 years and be over the normal retirement age.
- 2 A pensioner, or a Deferred Pension Member, must have been married to his widow before he ceased to be a contributing member.
- 3 Children must be under age 18 and must have been born or adopted before the member's death.

the case of a pensioner or a Deferred Pension Member must be the children of his marriage before he ceased to be a contributing member

- (d) If your widow is 15 or more years younger than yourself, the Trustees have discretion to reduce the amount of the pension payable to the widow

27 How will my widow or children obtain a pension?

Your widow should apply to your Personnel Office or the Secretary of this Fund. She will be required to produce the Death Certificate as well as her own Birth and Marriage Certificates and the Birth Certificates of your children under age 18, if any

If you do not leave a widow, but only children under age 18, whoever is looking after them should apply for their pension.

28 If I am a contributing member when I die, how much will the pension payable to my widow and/or children be?

The pension will be calculated as though, on the day you died you had been granted a failure of health pension and a supplementary pension [see Question 16(b)]. The amount of the pension that would have been payable to you from the Fund under the 1967 Rules (i.e. the Notional Total Pension less the State Pension Element) plus any pension that would have been payable to you under the pre-1967 Rules is referred to as the "full pension". This full pension will be paid to your widow or children for five years except that, if

you had previously received a pension, this will be taken into account in fixing the period during which this full pension will be paid

At the end of this period:—

- (i) If there is a widow who has not remarried, one half of the full pension will be payable to her and in addition, to your children:—

For one child	20% of the full pension
For two children	30% of the full pension
For three children	40% of the full pension
For four or more children	50% of the full pension

- (ii) If there is no widow, or if the widow has died or re-married, the pension payable to the children will be:—

For one child	50% of the full pension
For two children	70% of the full pension
For three children	80% of the full pension
For four children	90% of the full pension
For five or more children	The full pension

If a minimum pension is payable the minimum full pension will be £175 a year and the minimum total pension payable to your widow and children on expiry of the five year period will be £87 10s 0d a year for your widow and £43 15s 0d a year for each child, but in no case can the total exceed the full pension

29 If I am a pensioner when I die, how much will the pension payable to my widow and/or children be?

The full pension will be the amount of the pension actually payable to you by the Fund under the 1967 Rules (i.e. the Notional Total Pension less the State

reversionary annuity but excluding any sum (2%) applicable to any person plus any pension payable to you under the pre-1967 Rules at the time of your death. If you have died in five years after your pension started, this full pension will be paid to your widow or children for the remainder of the five years. Here again, however, if you had previously received a pension this would be taken into account in fixing the five year period. At the end of the five year period the percentage of the full pension payable to your widow and children will be the same as that payable at the end of the five year period as given in the answer to Question 28.

If a minimum pension is payable the minimum full pension will be £175 a year and the minimum total pension payable to your widow and children on expiry of the five year period will be £87 10s. 6d a year for your widow and 143 15s. 6d for each child but in no case can the total exceed the full pension.

30 For how long are Widows' and Children's pensions payable?

A widow's pension is payable for life, but ceases in the event of her remarriage. A child's pension is payable until the child is aged 18 but it may continue if the child is disabled and incapacitated.

31 What cash payment will my widow or my children receive if a pension is not payable to them because I do not have the necessary pensionable service?

Your contributions plus interest will be paid to your estate and an additional amount equivalent to the pay-

ment to your estate will be paid to your widow in her own right, or if you do not leave a widow to your children under 18 years of age in equal shares. (See also Part 7)

PART 6

NOMINATED DEPENDANTS' BENEFITS

32 What are Nominated Dependants' Benefits?

Nominated Dependants' Benefits are provided for the Nominated Dependants of Contributing Members and of those Members who have qualified for an immediate pension on leaving (see Question 18). They are not provided for Dependants of Deferred Pension Members either before or after payment of the Deferred Pension has commenced.

The benefits consist of either a pension or a cash payment for the Nominated Dependant of a deceased member, whether a man or a woman provided that no widow's benefit is payable. They are as follows:

- A pension which is payable if the deceased member was a Contributing Member when he died, had completed one year's pensionable service and could have completed ten years' pensionable service before reaching normal retirement age.
- A cash payment which is payable if the deceased member was a Contributing Member when he died but did not have the pensionable service needed for a Nominated Dependant's pension to be payable. (See (a) above).

- A pension which is payable if the deceased member was receiving a pension (other than a Deferred Pension) from the Fund when he died.

33 Can any member nominate someone for a Nominated Dependant's Benefit?

Single, widowed or divorced members, including married and pensioned members, can nominate someone who is a widow or widower dependent upon them. In certain circumstances a married member may, on request, be regarded as a single person.

A written Nomination of Beneficiary for Nominated Dependant's and Nominations forms may be obtained from your Personal Office.

PART 7

DEATH BENEFITS

34 What Death Benefits, other than pensions, does the Fund provide?

- If you are a Contributing Member and have not left the Fund, your personal contributions and your contributions to the Fund will be paid to your personal representatives. A lump sum death benefit equal to three times your personal contributions will be payable. The Trustees have discretion as to whether this benefit will be paid but will have regard to any previous expression of wish in writing during your lifetime.
- If, on your death, a pension is not payable to your widow, child or Nominated Dependant, a lump sum death benefit will be payable to your personal representatives.

A lump sum death benefit will be payable to your estate:-

- if you die while a Contributing Member of a Deferred Pension Member, an amount equal to your own contributions to the Fund plus interest. If you die while a Contributing Member a further amount may also be payable in addition to your own contributions (see Question 31).
- if you die while a pensioner, an amount equal to the guaranteed minimum payment (see Question 14) less the total pension paid to you as pension. If the total pension payments exceed the guaranteed minimum payment nothing further will be payable.

As the benefit will be paid to your personal representative to receive the payment will come on your Will or your next-of-kin if you do not have a Will. You are strongly advised to make a Will to ensure that payments should be paid to the person whom you wish to receive it.

PART 8

RE-ENGAGED EMPLOYEES

After leaving the Fund you may return to the Fund when you are re-engaged. If you were a member of the Fund when you left, you will be treated as a member of the Fund when you are re-engaged. If you were not a member of the Fund when you left, you will be treated as a new member of the Fund when you are re-engaged.

35. What happens if I am re-engaged and I am ready for a pension from the Fund?

If you are re-engaged by the Company, your pension will continue. If you are re-engaged by another employer, you will have to re-apply for membership of the Fund. If you are re-engaged by the Company, your pension will continue. If you are re-engaged by another employer, you will have to re-apply for membership of the Fund. If you are re-engaged by the Company, your pension will continue. If you are re-engaged by another employer, you will have to re-apply for membership of the Fund.

36. What happens if I am a Deferred Pension Member and, before my pension starts, I am re-engaged?

If you are re-engaged by the Company, your pension will be deferred until you are 65. If you are re-engaged by another employer, you will have to re-apply for membership of the Fund. If you are re-engaged by the Company, your pension will be deferred until you are 65. If you are re-engaged by another employer, you will have to re-apply for membership of the Fund.

37. What is my position if when I last left the Company I took a refund of my own contributions plus interest?

If you are re-engaged by the Company, you will be treated as a new starter. If you are re-engaged by another employer, you will have to re-apply for membership of the Fund. If you are re-engaged by the Company, you will be treated as a new starter. If you are re-engaged by another employer, you will have to re-apply for membership of the Fund.

If you wish to re-join the Fund, you should apply to your Employer. If you are re-engaged by the Company, you will be treated as a new starter. If you are re-engaged by another employer, you will have to re-apply for membership of the Fund. If you are re-engaged by the Company, you will be treated as a new starter. If you are re-engaged by another employer, you will have to re-apply for membership of the Fund.

If you are re-engaged by the Company, your pension will continue. If you are re-engaged by another employer, you will have to re-apply for membership of the Fund. If you are re-engaged by the Company, your pension will continue. If you are re-engaged by another employer, you will have to re-apply for membership of the Fund.

38. Will my former pensionable service be credited under the pre-1967 Rules or under the 1967 Rules?

If you re-join the Fund and are entitled (see Questions 35-37) to be treated as a new starter, your former pensionable service will be credited under the pre-1967 Rules. If you are re-engaged by the Company, your pension will continue. If you are re-engaged by another employer, you will have to re-apply for membership of the Fund.

Your former pensionable service under the pre-1967 Rules will be credited under the 1967 Rules pensionable service under the provisions of those Rules.

Your pensionable service under the 1967 Rules will be credited to you as 1967 Rules pensionable service under the provisions of those Rules.

APPENDIX

This Appendix contains five examples showing how the pension formula works. The examples are only designed to show the method of calculation and are not intended to show the future level of pension that can be earned from the Fund.

Example 1

A man has completed 30 years' pensionable service under the pre-1967 rules up to March 1967. He does not hold an ICI Agreement. He joins the 1967 Rules and is able to complete 10 years' 1967 Rule pensionable service before he retires at age 62. When he retires, his "final pensionable pay" is:

Under the pre-1967 Rules (i.e. average over the 6 years before retirement) — say £1,300.

Under the 1967 Rules (i.e. average over the highest paid 3 consecutive years in the last 10 years before retirement) — say £1,400.

His pension calculation will be as follows:

Pre-1967 Rule pension: £1,300 x 1/75 x 30 years		per year £520
1967 Rule pension:		
Notional Total Pension:		
£500 x 2% x 10 years	£100	
£900 x 1½% x 10 years	£150	
£1,400	£250	
Deduct: State Pension Element		
Proportion of flat rate pension		
£234 x 1/50 x 10 years	£46	
Graduated pension earned during 1967 Rule service*	£42	
	£88	£88
1967 Rule pension from Staff Fund	£162	£162
Total pension from Staff Fund		£682

In addition, he will receive his pensions from the State as follows:

Flat rate:

Married man: £379 12s. 0d. a year (£7 6s. 0d. a week)

Single man: £234 a year (£4 10s. 0d. a week)

Graduated:

In accordance with graduated contributions paid.

*The amount of graduated pension earned during 1967 Rule service depends on the total graduated contributions actually paid by the employee during that service. It has been assumed that this man has paid total graduated contributions of (say) £240 during his 1967 Rule service. The amount of graduated pension earned (by a man) from these contributions is £42 a year.

Example 2

A man who holds an ICI Agreement has completed 10 years' pensionable service under the pre-1967 Rule up to March 1967. He joins the 1967 Rules and is able to complete 20 years' 1967 Rule pensionable service before he retires at age 62. When he retires, his "final pensionable pay" is:

Under the pre-1967 Rules (i.e. average (not including the Agreement Bonus) over the 6 years before retirement) — say £2,000.

Under the 1967 Rules (i.e. average (including the Agreement Bonus) over the highest paid 3 consecutive years in the last 10 years before retirement) — say £2,500.

His pension calculation will be as follows:

	<i>per year</i>	
Pre-1967 Rule pension: £2,000 x 1/75 x 10 years		£267
1967 Rule pension:		
<i>Notional Total Pension:</i>		
£500 x 2% x 20 years		£200
£2,000 x 1½% x 20 years		£667
<hr/>		<hr/>
£2,500		£867
<hr/>		
Deduct: <i>State Pension Element</i>		
Proportion of flat rate pension		
£234 x 1/50 x 20 years	£91	
Graduated pension earned during		
1967 Rule service*	£88	
	<hr/>	<hr/>
	£181	£181
	<hr/>	<hr/>
1967 Rule pension from Staff Fund		£686 £686
		<hr/>
Total pension from Staff Fund		£953

In addition, he will receive his pensions from the State as follows:

Flat rate:

Married man: £379 12s. 0d. a year (£7 6s. 0d. a week)

Single man: £234 a year (£4 10s. 0d. a week)

Graduated:

In accordance with graduated contributions paid.

*The amount of graduated pension earned during 1967 Rule service depends on the total graduated contributions actually paid by the employee during that service. It has been assumed that this man has paid the maximum graduated contribution of £2 2s 3d for each month of his 20 years' 1967 Rule pensionable service. The amount of graduated pension earned (by a man) from these contributions is £88 a year.

Example 3

A woman has completed 15 years' pensionable service under the pre-1967 Rules up to March, 1967. She does not hold an ICI Agreement. She joins the 1967 Rules and is able to complete 25 years' 1967 Rule pensionable service before she retires at age 60. When she retires her "final pensionable pay" is:

Under the pre-1967 Rules (i.e. average over the 6 years before retirement) — say £770.

Under the 1967 Rules (i.e. average over the highest paid 3 consecutive years in the last 10 years before retirement) — say £300.

Her pension calculation will be as follows:

	per year	
Pre-1967 Rule pension: £770 x 1/65 x 15 years		£178
1967 Rule pension:		
<i>Notional Total Pension:</i>		
£300 x 2 1/4% x 25 years		£263
£300 x 1 1/2% x 25 years		£112
		<hr/>
£210		£395
		<hr/>
Deduct: State Pension Element		
Proportion of flat rate pension		
£234 x 1/45 x 25 years	£130	
Graduated pension earned during		
1967 Rule service*	£11	
	<hr/>	
	£141	£141
	<hr/>	
1967 Rule pension from Staff Fund	£254	£254
	<hr/>	
Total pension from Staff Fund		£432

In addition, she will receive her pension from the State as follows:

Flat rate:

Single person: £234 a year (14 10s. 6d. a week)

Graduated:

In accordance with graduated contributions paid.

*The amount of graduated pension earned during 1967 Rule service depends on the total graduated contributions actually paid by the employee during that service. It has been assumed that this woman has paid total graduated contributions of (say) £80 during her 1967 Rule service and £11 a year is the amount of graduated pension earned (by a woman) from these contributions.

Example 4

A man joins the Fund in April 1967 under the 1967 Rules and completes 40 years' service before retiring at age 62. He does not hold an ICI Agreement. When he retires, his "final pensionable pay" (i.e. the average over the highest paid 3 consecutive years in the 10 years before he retires) is (say) £1,400. His pension calculation will be as follows:

	per year
<i>Notional Total Pension:</i>	
£500 x 2% x 40 years	£400
£900 x 1½% x 40 years	£600
<hr/>	<hr/>
£1,400	£1,000
 <i>Deduct: State Pension Element</i>	
Proportion of flat rate pension	
£234 x 1/50 x 40 years	£187
Graduated pension earned during	
1967 Rule service*	£165
	<hr/>
	£352
	<hr/>
Pension from the Staff Pension Fund	£648

In addition, he will receive his pensions from the State as follows:

Flat rate:

Married man: £379 12s. 0d. a year (£7 6s. 0d. a week)

Single man: £234 a year (£4 10s. 0d. a week)

Graduated:

In accordance with graduated contributions paid.

*The amount of graduated pension earned during 1967 Rule service depends on the total graduated contributions actually paid by the employee during that service. It has been assumed that this man has paid total graduated contributions of (say) £950 during his 1967 Rule service. The amount of graduated pension earned (by a man) for these contributions is £165 a year.

Example 5

A woman joins the Fund in April, 1967 under the 1967 Rules and completes 35 years' service before retiring at age 60. She does not hold an ICI Agreement. When she retires, her "final pensionable pay" (i.e. the average over the highest paid 3 consecutive years before she retires) is (say) £700. Her pension calculation will be as follows:

	per year
<i>Notional Total Pension:</i>	
£500 x 2½% x 35 years	£368
£200 x 1½% x 35 years	£123
<hr/>	<hr/>
	£491
 <i>Deduct: State Pension Element</i>	
Proportion of flat rate pension	
£234 x 1/45 x 35 years	£182
Graduated pension earned during	
1967 Rule service*	£28
	<hr/>
	£210
	<hr/>
Pension from the Staff Pension Fund	£281

In addition, she will receive her pensions from the State as follows:

Flat rate

Single person: £234 a year (£4 10s. 0d. a week)

Graduated:

In accordance with graduated contributions paid.

*The amount of graduated pension earned during 1967 Rule service depends on the total graduated contributions actually paid by the employee during that service. It has been assumed that this woman has paid total graduated contributions of (say) £200 during her 1967 Rule service and £28 a year is the amount of graduated pension earned (by a woman) from these contributions.